# BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM 1885

# Served electronically at Salem, Oregon, 8/11/17, to:

Respondent's Attorney
V. Denise Saunders
Portland General Electric Company
121 SW Salmon Street
Portland, Oregon 97204
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Complainant's Attorneys & Representative Irion A. Sanger Sanger Law, PC 1117 SE 53rd Avenue Portland, Oregon 97215 irion@sanger-law.com

Sidney Villanueva Sanger Law, PC 1117 SE 53rd Avenue Portland, Oregon 97215 sidney@sanger-law.com

Steve Cohen Osprey Solar, LLC 515 North Flagler Drive, Suite 203 West Palm Beach, Florida 33401 steve@sabalsolar.com

Re: UM 1885, Complainant OSPREY SOLAR LLC vs. PORTLAND GENERAL ELECTIRC COMPANY, Respondent

OSPREY SOLAR LLC has filed a complaint against Portland General Electric. A copy of the complaint is attached and served on Respondent, under ORS 756.512(1). The Commission has assigned Docket No. UM 1885 to this complaint. Please use this number whenever you refer to this case.

The Public Utility Commission must receive an Answer from the Respondent or their attorney by August 31, 2017, under OAR 860-001-0400(4)(a). A copy must be served on the complainant.

After the filing of the answer, the matter will be set for hearing and you will be notified of the time and place.

### PUBLIC UTILITY COMMISSION OF OREGON

/s/Diane Davis for Cheryl Walker Administrative Specialist 2 Administrative Hearings Division (503) 378-2849

c: Barbara Parr, barbara.parr@pgn.com

Attachments: Complaint; Notice of Contested Case Rights and Procedures

#### NOTICE OF CONTESTED CASE RIGHTS AND PROCEDURES

Oregon law requires state agencies to provide parties written notice of contested case rights and procedures. Under ORS 183.413, you are entitled to be informed of the following:

Hearing: The time and place of any hearing held in these proceedings will be noticed separately. The Commission will hold the hearing under its general authority set forth in ORS 756.040 and use procedures set forth in ORS 756.518 through 756.610 and OAR Chapter 860, Division 001. Copies of these statutes and rules may be accessed via the Commission's website at <a href="https://www.puc.state.or.us">www.puc.state.or.us</a>. The Commission will hear issues as identified by the parties.

**Right to Attorney:** As a party to these proceedings, you may be represented by counsel. Should you desire counsel but cannot afford one, legal aid may be able to assist you; parties are ordinarily represented by counsel. The Commission Staff, if participating as a party in the case, will be represented by the Department of Justice. Generally, once a hearing has begun, you will not be allowed to postpone the hearing to obtain counsel.

Administrative Law Judge: The Commission has delegated the authority to preside over hearings to Administrative Law Judges (ALJs). The scope of an ALJ's authority is defined in OAR 860-001-0090. The ALJs make evidentiary and other procedural rulings, analyze the contested issues, and present legal and policy recommendations to the Commission.

**Hearing Rights:** You have the right to respond to all issues identified and present evidence and witnesses on those issues. *See* OAR 860-001-0450 through OAR 860-001-0490. You may obtain discovery from other parties through depositions, subpoenas, and data requests. *See* ORS 756.538 and 756.543; OAR 860-001-0500 through 860-001-0540.

Evidence: Evidence is generally admissible if it is of a type relied upon by reasonable persons in the conduct of their serious affairs. See OAR 860-001-0450. Objections to the admissibility of evidence must be made at the time the evidence is offered. Objections are generally made on grounds that the evidence is unreliable, irrelevant, repetitious, or because its probative value is outweighed by the danger of unfair prejudice, confusion of the issues, or undue delay. The order of presenting evidence is determined by the ALJ. The burden of presenting evidence to support an allegation rests with the person raising the allegation. Generally, once a hearing is completed, the ALJ will not allow the introduction of additional evidence without good cause.

**Record:** The hearing will be recorded, either by a court reporter or by audio digital recording, to preserve the testimony and other evidence presented. Parties may contact the court reporter about ordering a transcript or request, if available, a copy of the audio recording from the Commission for a fee set forth in OAR 860-001-0060. The hearing record will be made part of the evidentiary record that serves as the basis for the Commission's decision and, if necessary, the record on any judicial appeal.

**Final Order and Appeal:** After the hearing, the ALJ will prepare a draft order resolving all issues and present it to the Commission. The draft order is not open to party comment. The Commission will make the final decision in the case and may adopt, modify, or reject the ALJ's recommendation. If you disagree with the Commission's decision, you may request reconsideration of the final order within 60 days from the date of service of the order. *See* ORS 756.561 and OAR 860-001-0720. You may also file a petition for review with the Court of Appeals within 60 days from the date of service of the order. *See* ORS 756.610.

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# BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

Osprey Solar, LLC,	)	
Complainant,	)	DOCKET NO
	)	
V.	)	COMPLAINT
	)	
Portland General Electric Company,	)	
Defendant.	)	
	)	

### 1 I. INTRODUCTION

- This is a complaint ("Complaint") filed by Osprey Solar LLC ("Osprey Solar" or
- 3 "Complainant") with the Oregon Public Utility Commission (the "Commission" or
- 4 "OPUC") under Oregon Revised Statute ("ORS") 756.500 and Oregon Administrative
- 5 Rule ("OAR") 860-001-0170. Portland General Electric Company ("PGE" or the
- 6 "Company") has not agreed to purchase the net output from Osprey Solar's qualifying
- 7 facility ("QF") as a mandatory purchase under the Public Utility Regulatory Policies Act
- 8 of 1978 ("PURPA"). PGE has failed to comply with its own rate Schedule 201, the
- 9 Commission's rules and policies, the Federal Energy Regulatory Commission's
- 10 ("FERC's") rules and policies, and the Oregon and federal PURPA statutes. PGE has
- refused to finalize or execute a power purchase agreement ("PPA") with Osprey Solar.

1	Osprey Solar has formed a legally enforceable obligation because it has been
2	ready, willing, and able to sign a PPA with PGE since at least March 22, 2017, and has
3	repeatedly and unequivocally committed itself to sell the net output to PGE at the
4	Schedule 201 avoided cost rates and standard PPA terms and conditions in effect prior to
5	June 1, 2017 (the "Pre-June 1 Rates and Terms"). PGE should be required to execute a
6	PPA with Osprey Solar at the Pre-June 1 Rates and Terms because the establishment of a
7	legally enforceable obligation turns on Osprey Solar's commitment rather than PGE's
8	actions.
9	The concept of a legally enforceable obligation under PURPA exists precisely to
10	prevent what PGE has sought to achieve here: preventing Osprey Solar from obtaining a
11	PPA on favorable terms. PGE's actions seeking to prevent Osprey Solar from entering
12	into a PPA at the the Pre-June 1 Rates and Terms include, but are not limited to: 1)
13	delaying the PPA negotiation process; 2) seeking interim and/or expedited relief to
14	prevent Osprey Solar from being able to execute a PPA and to lower rates; and 3) failing
15	to inform Osprey Solar about its filings seeking to change its Standard PPA rules and
16	rates. These actions by PGE violated PURPA, the Commission's and FERC's rules and
17	policies, and PGE's own Schedule 201.
18	Among other things, PGE failed to meet its own Schedule 201 timeline after
19	Osprey Solar's initial submission of information on March 22; ignored Osprey Solar's
20	requests for expedited processing on May 23 and May 31; ignored Osprey Solar's
21	requests for an executable PPA on May 23 and May 31; waited until May 31 to inform
22	Osprey Solar about its June 1 rate change; and completely ignored the partially executed
23	PPA Osprey Solar submitted on May 31.

The Commission cannot revise its own rules or policies to lower the size
threshold, impose an ownership cap, adopt an early avoided cost rate reduction, or make
other changes in a manner that effectively prevents Osprey Solar from committing itself
to sell the net output of its project or otherwise creating a legally enforceable obligation
under the then-current avoided cost rate. Osprey Solar relied upon the Commission's
settled and uniform institutional climate for QFs, and expects the Commission to uphold
its policies regarding eligibility for standard avoided cost rates and contracts, including
that Osprey Solar is able to enter contracts or create legally enforceable obligations based
on the policies and rules in effect at the time that the QF makes its request for a PPA.
Given PGE's refusal to execute a PPA and attempt to change Commission
policies and rates to prevent Osprey Solar from executing a PPA at the Pre-June 1 Rates
and Terms, Osprey Solar respectfully requests the Commission confirm: 1) that Osprey
Solar established a legally enforceable obligation with PGE based on Osprey Solar's
commitment to sell its net output under a partially executed PPA, which is the same as
the Commission's approved contract, rates and both draft PPAs provided by PGE; and 2)
require PGE to enter into a PPA with Osprey Solar with the terms, and conditions under
the current Schedule 201 and the standard renewable rate in effect when Osprey Solar
executed PGE's draft PPA on May 31, 2017.

19 II. SERVICE

Copies of all pleadings and correspondence should be served on Osprey Solar's counsel and representatives at the addresses below:

1	Irion Sanger	Sidney Villanueva
2	Sanger Law, PC	Sanger Law, PC
3	1117 SE 53rd Ave.	1117 SE 53rd Ave.
4	Portland, Oregon 97215	Portland, Oregon 97215
5	irion@sanger-law.com	sidney@sanger-law.com
6 7	Steve Cohen	
8	Osprey Solar, LLC	
9	515 North Flagler Drive, Sui	te 203
10	West Palm Beach, Florida 33	
11	steve@sabalsolar.com	
12	$\mathcal{C}$	
13	In support of this Complaint, Osprey Solar	alleges as follows:
14	III. IDENTIT	Y OF THE PARTIES
15	1. PGE is an investor-owned p	public utility regulated by the Commission
16	under ORS Chapter 757. PGE is headquar	tered at 121 Southwest Salmon Street,
17	Portland, Oregon 97204.	
18	2. Osprey Solar, a limited liab	ility company organized under the laws of
19	Oregon, is the owner of the QF and will be	the seller of the net output of the QF project.
20	Osprey Solar's address is c/o Steve Cohen	, Sabal Solar Development LLC, 515 North
21	Flagler Drive, Suite 203, West Palm Beach	n, Florida 33401
22	IV. APPLICAB	LE STATUTES AND RULES
23	3. The Oregon statutes expected	ed to be involved in this case include:
24	ORS 756.040-756.068, 756.500-756.558, 7	756.990, and 758.505-758.575. The Oregon
25	rules expected to be involved in this case is	nclude: OAR 860-001, and 860-029.
26	4. The federal statute expected	I to be involved in this case is PURPA, 16
27	United States Code ("USC") 824a-3. The	federal rules expected to be involved in this
28	case include: 18 Code of Federal Regulation	ons ("CFR") 292.101-292.602. FERC's

- 1 regulations regarding its pro forma Open Access Transmission Tariffs ("OATT") may
- 2 also be involved.

# 3 V. JURISDICTION

- FERC has adopted regulations and policies governing utility purchases
- 5 from QFs under PURPA. 18 CFR 292.101-292.602. State regulatory agencies are
- 6 required to implement FERC's regulations. See 16 USC 824a-3(f); FERC v. Mississippi,
- 7 456 U.S. 742, 751, 102 S. Ct. 2126 (1982). FERC's rules provide each QF with the right
- 8 to unilaterally create a legally enforceable obligation to sell its energy and capacity at
- 9 projected avoided cost rates in effect on the date that the QF obligates itself to sell energy
- and capacity. 18 CFR 292.304(d)(2)(ii); FLS Energy Inc., 157 FERC ¶ 61,211 at PP 23-
- 11 25 (2016).
- Oregon law also includes a requirement that a QF has the right to legally
- obligate itself to sell its net output at a time prior to the delivery of its net output.
- Specifically, ORS 758.525(2)(b) provides: "At the option of the qualifying facility,
- 15 exercised before beginning delivery of the energy or energy and capacity, such prices
- may be based on . . . [t]he projected avoided costs calculated at the time the legal
- obligation to purchase the energy or energy and capacity is incurred." Thus, the
- "obligation to purchase power is imposed by law on a utility; it is not voluntarily
- 19 assumed." Snow Mountain Pine Co. v. Maudlin, 734 P.2d 1366, 84 Or. App. 590, 598
- 20 (1987).
- The Commission is the Oregon state agency that implements the state and
- 22 federal PURPA statutes. ORS 758.505(3); OAR 860-029-0001; Snow Mountain, 84 Or.
- App. at 593. Public utilities are defined in ORS 758.505(7), and include PGE. Oregon

- 1 law provides that the "terms and conditions for the purchase of energy or energy and
- 2 capacity from a qualifying facility shall . . . [b]e established by rule by the commission if
- 3 the purchase is by a public utility." ORS 758.535(2)(a). The Commission has the power
- 4 and jurisdiction to hear complaints by QFs against public utilities, including PGE. ORS
- 5 756.040, 756.500-756.558, and 758.505-758.555; OAR 860-001-0010(3), and 860-029-
- 6 0030.

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### VI. FACTUAL BACKGROUND

- 8 8. The Osprey Solar project will be a 2.2 megawatt ("MW") nameplate solar
- 9 generation facility located in Clackamas County, Oregon.
- 9. On March 22, 2017, Osprey Solar provided information and materials
- 11 required for a Standard PPA with PGE.
- 12 10. Osprey Solar was aware that PGE would make its annual cost rate update
- filing on May 1, 2017, and expected PGE's avoided cost rate might change in the end of
- 14 June 2017.
- 15 Osprey Solar was aware that PGE's integrated resource plan was
- scheduled for consideration at the August 8, 2017 Public Meeting, and expected any
- acknowledgment to occur at the end of August 2017, resulting in PGE's avoided cost
- rates to be revisited about two months later, or the end of October 2017.
- 19 12. Over the course of the next several weeks, Osprey Solar and PGE
- 20 exchanged information and communicated regarding issues related to the sale of Osprey
- 21 Solar's net output to PGE, including but not limited to contract terms, required
- 22 information, and project details.

- 1 13. On April 13, 2017, Osprey Solar requested an update from PGE on its
- 2 PPA request, noting that it believed PGE was required to provide Osprey Solar with
- 3 either a draft Standard PPA or clarifying questions by April 13, 2017.
- 4 14. Later that same day, on April 13, 2017, PGE sent Osprey Solar a letter
- 5 stating that Osprey Solar's application was missing certain specific information, and
- 6 requested certain additional information be filled in rather than including references to
- 7 certain attached documents.
- 8 15. PGE's April 13 letter indicated that Osprey Solar's application was
- 9 received by PGE on March 23, 2017 rather than March 22, 2017 when Osprey Solar
- submitted the request. April 13, 2017 is sixteen business days from March 22, 2017.
- 11 16. On April 26, 2017, Osprey Solar submitted the additional information
- requested by PGE.
- 13 17. On April 27, 2017, PGE acknowledged receipt of the additional
- information provided by Osprey Solar. PGE incorrectly stated that Osprey Solar's April
- 15 26 submission was in respond to a May 16 letter rather than PGE's April 13 letter. PGE
- failed to provide a date by which it would send Osprey Solar a draft PPA or request
- 17 additional or clarifying information.
- 18. On May 1, 2017, PGE filed its May 1 Update, which requested an
- 19 effective date of May 17, 2017 for its updated avoided cost rates rather than the end of
- 20 June as Osprey Solar expected. PGE's May 1 Update proposed to lower PGE's avoided
- 21 cost rate significantly.

- 1 19. PGE never informed Osprey Solar that it was planning to seek approval of
- 2 its May 1 Update at the May 16, 2017 Public Meeting rather than the last Public Meeting
- 3 scheduled in June as it had done in past years.
- 4 20. Similarly, PGE never informed Osprey Solar that it was planning to
- 5 request an effective date of May 17, 2017 for its May 1 Update.
- 6 21. Osprey Solar would have proceeded through its PPA negotiations more
- quickly, and may not have requested any changes to PGE's draft PPA, if it had been
- 8 aware that PGE intended to request a May 17, 2017 effective date for its May 1 Update.
- 9 Osprey Solar was denied the opportunity to make decisions on the basis of complete
- information, because PGE did not share its plans with the QFs it was negotiating with.
- 11 22. Commission Staff considered addressing PGE's May 1 Update at the May
- 12 30, 2017 Public Meeting, but ultimately moved that consideration to a Special Public
- 13 Meeting on May 18, 2017 per PGE's request. Re Portland General Electric Company
- 14 Updates Qualifying Facilities Avoided Cost Payments, Schedule 201, UM 1728, Special
- 15 Public Meeting at 2:18 (May 18, 2017).
- On or about May 1, 2017, PGE also decided to file a request for new solar
- 17 QF limits, which is currently being reviewed under docket number UM 1845 ("Request
- 18 for New Solar QF Limits"). PGE's Request for New Solar Limits would, among other
- things, declare that a solar QF project with a capacity above 100 kilowatts ("kW") is not
- 20 eligible for a standard contract or standard prices from PGE if any owner of the solar QF
- 21 project has requested or obtained standard prices from PGE for more than 10 MW of
- solar QF capacity; or in the alternative, lower to 2 MW the eligibility cap for a solar QF
- project to obtain prices from PGE.

- 1 24. PGE's Request for New Solar Limits could affect Osprey Solar's
- 2 eligibility for standard avoided cost prices, if Osprey Solar were not able to establish a
- 3 legally enforceable obligation under PGE's Standard PPA terms and rates in effect on
- 4 May 31, 2017.
- 5 25. PGE chose not to inform Osprey Solar that it was planning to file the
- 6 Request for New Solar QF Limits, or that PGE was planning to seek interim relief.
- 7 26. Osprey Solar would have proceeded through its PPA negotiations more
- 8 quickly, and may not have requested any changes to PGE's draft PPA, if it had been
- 9 aware that PGE intended to file the Request for New Solar QF Limits. Osprey Solar was
- denied the opportunity to make decisions on the basis of complete information, because
- PGE did not share its plans with the QFs it was negotiating with.
- 12 27. On May 16, 2017, PGE provided Osprey Solar with a draft PPA.
- On May 18, 2017, the Commission held a Special Public Meeting to
- 14 consider PGE's May 1 Update, and allowed PGE's new, and substantially lower, avoided
- 15 cost rates to go into effect on June 1, 2017. Re Portland General Electric Company
- Application to Update Schedule 201 Qualifying Facility Information, Docket No. UM
- 17 1728, Order No. 17-177 (May 19, 2017).
- After the May 18, 2017 Special Public Meeting, PGE chose not to inform
- 19 Osprey Solar that its updated Schedule 201 had been adopted, or that its avoided cost
- rates were going to drop substantially on June 1, 2017.
- 21 30. On May 23, 2017, Osprey Solar requested execution copies of the May 16
- draft with two minor edits: 1) removing point 7 from Exhibit C; and 2) updating the
- expected commercial operation date in Sections 2.2.1 and 2.2.2 to May 1, 2020. Osprey

- 1 Solar indicated that its intention for revising the change requests was to avoid any
- 2 substantive updates and proceed with executable PPAs the same week.
- 3 31. On May 31, 2017, PGE sent Osprey Solar a form email confirming that
- 4 PGE did not anticipate executing a contract with Osprey Solar before June 1, 2017, at
- 5 which point PGE's avoided cost rates would change.
- 6 32. PGE's May 31email stated that Osprey Solar would be eligible for prices
- at the time its PPAs were executed, and that Osprey would not be eligible for PGE's Pre-
- 8 June 1 Rates and Terms.
- 9 33. On May 31, 2017, Osprey Solar reaffirmed its desire to sell power to at the
- 10 Pre-June 1 Rates and Terms, and reiterated its understanding that the changes it had
- requested to the draft PPA on May 23, 2017 were not substantive.
- On May 31, 2017, Osprey Solar executed the draft PPA with the two
- minor alterations previously requested on May 23, 2017. Attachment A to this
- 14 Complaint is a true and correct copy of this partially executed PPA.
- On June 14, 2017, PGE responded by providing a revised draft PPA to
- 16 Osprey Solar.
- 17 36. PGE's June 14 letter explained that it was providing a revised draft PPA,
- rather than a final draft PPA, because Osprey Solar's May 23 request to revise the the
- 19 commercial operation date constituted a substantive change.
- 20 37. PGE's June 14 letter did not address Osprey Solar's May 23 request to
- 21 expedite to process of receiving an executable PPA by avoiding any substantive changes.
- 22 38. PGE's June 14 letter also ignored that Osprey Solar sent a partially-
- executed PPA to PGE on May 31, 2017.

2	40.	On June 30, 2017, PGE also filed a Motion for Interim Relief, and
3	requested ex	xpedited consideration, asking the relief PGE requested as permanent relief
4	also be gran	ted during while the Commission consider PGE's application. PGE
5	requested th	ne interim relief be effective on June 30, 2017.
6	41.	On August 4, 2017, Osprey Solar sent PGE a demand letter requesting that
7	PGE execut	e the partially executed final PPA or Osprey Solar would file a complaint
8	with the Co	mmission.
9	42.	The August 4 letter expressed Osprey Solar's belief that PGE had a legally
10	enforceable	obligation to purchase Osprey Solar's full net output at the Pre-June 1 Rates
11	and Terms.	
12	43.	The August 4 letter informed PGE that Osprey Solar was willing to
13	execute any	of the various draft PPAs exchanged at the Pre-June 1 Rates and Terms.
14	44.	As of August 9, 2017, PGE has neither acknowledged receipt nor
15	responded t	o Osprey Solar's demand letter.
16		VII. LEGAL CLAIMS
17		Complainant's First Claim for Relief
18 19 20 21	Terms beca	ar is entitled to PGE's standard contract at the Pre-June 1 Rates and ause Osprey Solar legally obligated itself to sell the net output prior to the s Complaint, and before the Schedule 201 rates changed on June 1, 2017
22	45.	Osprey Solar re-alleges all the preceding paragraphs.
23	46.	PGE has an obligation to purchase a QF's net output that is directly or
24	indirectly m	nade available to PGE. 18 CFR 292.303(a)&(d), 292.304(d); ORS
25	758.525(2)(	b), 758.535(2)(a)&3(b); OAR 860-029-0030(1).

On June 30, 2017, PGE filed its Request for New Solar QF Limits.

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39.

- 1 47. PGE has an obligation to purchase the net output of a QF pursuant to
- 2 either a contract or a legally enforceable obligation. 18 CFR 292.304(d); Order No. 69,
- 3 FERC Stats. & Regs. ¶ 30,128, 45 Fed. Reg. 12,214 at 12,219-20, 12,224 (1980). A
- 4 legally enforceable obligation is broader than a simple contract between an electric utility
- 5 and a QF, and may exist without a contract. FLS Energy, 157 FERC ¶ 61,211 at PP 24,
- 6 26; Grouse Creek, LLC, 142 FERC ¶ 61,187 at P 38 (2013).
- 7 48. The establishment of a legally enforceable obligation turns on the QF's
- 8 commitment to sell its net output to the electric utility. FLS Energy, 157 FERC ¶ 61,211
- 9 at P 24; <u>JD Wind 1, LLC</u>, 129 FERC ¶ 61,148, at P 25 (2009). A QF can establish a
- legally enforceable obligation by committing itself to sell power to an electric utility.
- 11 <u>FLS Energy</u>, 157 FERC ¶ 61,211 at P 25; <u>Cedar Creek Wind</u>, <u>LLC</u>, 137 FERC ¶ 61,006
- 12 at PP 36, 39 (2011); Snow Mountain, 734 P.2d at 1371.
- 13 49. A QF can require a utility to purchase its net output, even if the utility has
- refused to enter into a contract. Id. at 1370-71; FLS Energy, 157 FERC ¶ 61,211 at P 24;
- 15 Murphy Flat Power, 141 FERC ¶ 61,145 at P 24 (2012); Grouse Creek, 142 FERC ¶
- 16 61,187 at P 38. A utility cannot refuse to sign a contract "so that a later and lower
- avoided cost is applicable." FLS Energy, 157 FERC ¶ 61,211 at P 25; Cedar Creek
- Wind, 137 FERC ¶ 61,006 at P 36. Similarly, a QF cannot be required to tender an
- 19 executed interconnection agreement to form a legally enforceable obligation because that
- 20 requirement would allow "the utility to control whether and when a legally enforceable
- obligation exists." FLS Energy, 157 FERC ¶ 61,211 at PP 23, 26.
- 22 50. The Commission has confirmed the process for obtaining a PPA: "(1) a
- 23 QF initiates the process by submitting certain information, the utilities then have 15 days

- 1 to provide a draft standard contract; (2) the QF may agree to the terms of the draft
- 2 contract and ask the utility to provide a final executable contract, or suggest changes; (3)
- 3 the utility provides iterations of the draft standard contract no later than 15 days after
- 4 each round of comments by the negotiating QF; and (4) when the QF indicates that it
- 5 agrees to all the terms in the draft contract, the utility has 15 days to forward a final
- 6 executable contract to the QF." Re Investigation Into QF Contracting and Pricing,
- 7 Docket No. UM 1610, Order No. 16-174 at 24 (May 13, 2016). Thus, when the QF
- 8 informs PGE that it has agreed to all terms and conditions in the draft PPA, PGE is
- 9 required to provide an executable PPA to the QF.
- The Commission has determined a legally enforceable obligation will be
- established "once a QF signs the final draft of an executable contract provided by a utility
- to commit itself to sell power to the utility." Re Investigation Into QF Contracting and
- 13 Pricing, Docket No. UM 1610, Order No. 16-174 at 3 (May 13, 2016). However, a
- legally enforceable obligation "may be established earlier if a QF demonstrates delay or
- obstruction of progress towards a final draft of an executable contract, such as a failure
- by a utility to provide a QF with required information or documents on a timely basis."
- 17 Id. This is exactly what has occurred in this case.
- The Commission has determined that a PPA can be executed and a legally
- 19 enforceable obligation can be created in less than two months. Re Investigation Into QF
- 20 Contracting and Pricing, Docket No. UM 1610, Order No. 16-174 at 24, 27-28 (May 13,
- 21 2016).

- FERC has determined that a legally enforceable obligation can be created
- 2 in about one month. Rainbow Ranch Wind, LLC, 139 FERC ¶ 61,077 at PP 2-5, 24
- 3 (2012); Grouse Creek Wind Park, LLC, 142 FERC ¶ 61,187, at PP 37-43 (2013).
- 4 54. Osprey Solar has continued to commit, and is still committing, itself to sell
- 5 the net output of the Osprey Solar project to PGE at the Pre-June 1 Rates and Terms, as
- 6 set forth in the partially executed final PPA. These commitments include, but are not
- 7 limited to Osprey Solar's request for an executable PPA on May 23, 2017, Osprey Solar's
- 8 execution of the draft PPA on May 31, 2017, and Osprey Solar's demand letter on
- 9 August 2, 2017.
- Osprey Solar has continued to commit, and is still committing itself to sell
- its net output to PGE at the Schedule 201 rates, terms, and conditions in the partially
- 12 executed final PPA.
- 13 56. PGE is required to purchase the net output of the Osprey Solar project at
- the Pre-June 1 Rates and Terms set forth in the partially executed final PPA, despite
- 15 PGE's refusal to execute the partially executed PPA.
- 16 57. Osprey Solar's repeated statements of commitment, execution of the
- executable final PPA, continuing commitment to sell the net output of the Osprey Solar
- project, and efforts to obtain PGE's execution of the partially executed PPA establish a
- 19 legally enforceable obligation at the Pre-June 1 Rates and Terms, and all the terms and
- 20 conditions in the partially executed PPA.

1	Complainant's Second Claim for Relief
2 3 4 5	Osprey Solar is entitled to PGE's standard contract at the Pre-June 1 Rates and Terms because Osprey Solar legally obligated itself to sell the net output prior to the filing of this Complaint, before the Schedule 201 rates changed on June 1, 2017, and PGE violated the OPUC's and FERC's policies and rules, and Schedule 201
6 7	Osprey Solar re-alleges all the preceding paragraphs.
8	59. The Commission has established rules, policies, standard contracts, and
9	rate schedules to facilitate and direct the process by which a QF and an Oregon electric
10	utility enter into a contract. Re Investigation Relating to Electric Utility Purchases from
11	QFs, Docket No. UM 1129, Order No. 05-584 at 6-12, 16 (May 13, 2005). The purpose
12	of the Commission approving standard contacts and schedules for each utility is to pre-
13	establish "rates, terms and conditions that an eligible QF can elect without any
14	negotiation with the purchasing utility" and to "eliminate negotiations " <u>Id.</u> at 12, 16
15	60. PGE's failure to abide by the terms of the Commission's rules and
16	policies, FERC's rules and policies, and/or Schedule 201 can result in the creation of a
17	legally enforceable obligation. Docket No. UM 1610, Order No. 16-174 at 3; <u>Snow</u>
18	Mountain, 734 P.2d at 1371; International Paper v. PacifiCorp, Docket No. UM 1449,
19	Order No. 09-439 at 6 (Nov. 4, 2009).
20	The Commission's polices include that, "when the QF indicates that it
21	agrees to all the terms in the draft contract, the utility has 15 days to forward a final
22	executable contract to the QF." Re Investigation Into QF Contracting and Pricing,
23	Docket No. UM 1610, Order No. 16-174 at 24 (May 13, 2016).
24	62. PGE's Schedule 201 includes timelines and requirements that a utility
25	should follow when entering into a PPA with a QF 10 MWs and under. Pursuant to

Schedule 201, "When all information required in the Standard PPA has been received in

26

- writing from the Seller, the Company will respond within 15 business days with a draft
- 2 Standard PPA."
- 3 63. Schedule 201 also provides: "When both parties are in full agreement as to
- 4 all terms and conditions of the draft Standard PPA, the Company will prepare and
- 5 forward to the Seller a final executable version of the agreement within 15 business
- 6 days."
- 7 64. The Commission's rules and policies prevent a utility from delaying or
- 8 obstructing "progress towards a final draft of executable contract". Re Investigation Into
- 9 QF Contracting and Pricing, Docket No. UM 1610, Order No. 16-174 at 27-28 (May 13,
- 10 2016).
- 11 65. The Commission's rules and policies were to consider the utilities' May 1
- 12 Update at the last Public Meeting in June. See Re Portland General Electric Company
- 13 Application to Update Schedule 201 Qualifying Facility Information, Docket No. UM
- 14 1728, REC Comments at 6-7 (May 15, 2017); Re Portland General Electric Company
- 15 Updates Qualifying Facilities Avoided Cost Payments, Schedule 201, UM 1728, Special
- 16 Public Meeting at 5:58 (May 18, 2017).
- 17 66. PGE's previous May 1 Update filings confirm the Commission's policy.
- In 2016, PGE requested an effective date of June 22, 2016, noting "Order No. 14-058
- directs the annual avoided cost update to be presented at a public meeting and have rates
- 20 effective within 60 days of the May 1 filing. The last public meeting within 60 days of
- 21 May 1 is on June 21, 2016; hence the Company requests an effective date of June 22,
- 22 2016." Re Portland General Electric Company Application to Update Schedule 201
- Qualifying Facility Information, Docket No. UM 1728, PGE's Application at 1 (April 29,

- 1 2016). In 2015, after debate and clarification about when the May 1 Update should go
- 2 into effect, PGE ultimately requested an effective date of June 30, 2015. Re Portland
- 3 General Electric Company Application to Update Schedule 201 Qualifying Facility
- 4 Information, Docket No. UM 1728, PGE's Revised Application at 1 (June 29, 2015).
- 5 67. Based upon the Commission's rules and policies, and PGE's pattern of
- 6 practice adhering to those policies, QFs had a reasonable expectation that the May 1
- 7 Update would take effect in late June.
- 8 68. PGE's request to deviate from the Commission's policies and their own
- 9 practice and hasten the effective date of its May 1 Update resulted in the establishment of
- a legally enforceable obligation because PGE sought to control when a legally
- enforceable obligation existed and delay progress toward a final executable contract so
- that a lower avoided cost rate was applicable. By no later than May 23, 2017, Osprey
- 13 Solar and PGE had agreed to all material terms and conditions, and Osprey Solar
- requested an executable version of the PPA.
- 15 69. PGE has not provided an executable version on the PPA.
- 16 70. PGE violated Commission rules and policies, FERC's rules and policies,
- and Schedule 201 when PGE ignored Osprey Solar's executed PPA of May 31, and
- provided a final draft PPA responsive to Osprey Solar's May 23 request instead.
- 19 71. By refusing to execute a PPA because of alleged concerns regarding
- 20 requests that had been superseded by Osprey Solar's partially executed draft PPA
- 21 submission, PGE has attempted to control whether and when a legally enforceable
- 22 obligation exists to sell its net output at the currently effective Schedule 201 rates, by
- 23 delaying negotiations.

1	72.	PGE violated the Commission's rules and policies, FERC's rules and
2	policies, an	d Schedule 201 when it delayed and obstructed progress toward executing a
3	PPA.	
4	73.	PGE violated the Commission's rules and policies, FERC's rules and
5	policies, an	d Schedule 201 when it refused to provide an executable PPA or to execute
6	the draft PF	PA.
7	74.	PGE's violations of the Commission's rules and policies, FERC's rules
8	and policies	s, and Schedule 201, and Osprey Solar's execution of the draft PPA,
9	continuing	commitment to sell the net output of the Osprey Solar project, and efforts to
10	obtain PGE	2's signature resulted in a legally enforceable obligation at the previously
11	effective So	chedule 201 rates, and all the terms and conditions in the partially executed
	77.	
12	PPA.	
12 13	PPA.	Complainant's Third Claim for Relief
	Osprey Sol Terms bec- filing of the the Comm	Complainant's Third Claim for Relief  lar is entitled to PGE's standard contract at the Pre-June 1 Rates and ause Osprey Solar legally obligated itself to sell the net output prior to the is Complaint, before the Schedule 201 rates changed on June 1, 2017, and ission cannot changes policies and rules, and Schedule 201 to prevent lar from obtaining a legally enforceable obligation
13 14 15 16 17 18	Osprey Sol Terms bec- filing of the the Comm	lar is entitled to PGE's standard contract at the Pre-June 1 Rates and ause Osprey Solar legally obligated itself to sell the net output prior to the is Complaint, before the Schedule 201 rates changed on June 1, 2017, and ission cannot changes policies and rules, and Schedule 201 to prevent
13 14 15 16 17 18 19	Osprey Sol Terms beca filing of the the Common Osprey Sol	lar is entitled to PGE's standard contract at the Pre-June 1 Rates and ause Osprey Solar legally obligated itself to sell the net output prior to the is Complaint, before the Schedule 201 rates changed on June 1, 2017, and ission cannot changes policies and rules, and Schedule 201 to prevent lar from obtaining a legally enforceable obligation
13 14 15 16 17 18 19	Osprey Sol Terms beca filing of the the Common Osprey Sol 75. 76.	lar is entitled to PGE's standard contract at the Pre-June 1 Rates and ause Osprey Solar legally obligated itself to sell the net output prior to the is Complaint, before the Schedule 201 rates changed on June 1, 2017, and ission cannot changes policies and rules, and Schedule 201 to prevent lar from obtaining a legally enforceable obligation  Osprey Solar re-alleges all the preceding paragraphs.
13 14 15 16 17 18 19 20 21	Osprey Sol Terms beca filing of this the Commit Osprey Sol 75. 76. threshold, is	lar is entitled to PGE's standard contract at the Pre-June 1 Rates and ause Osprey Solar legally obligated itself to sell the net output prior to the is Complaint, before the Schedule 201 rates changed on June 1, 2017, and ission cannot changes policies and rules, and Schedule 201 to prevent lar from obtaining a legally enforceable obligation  Osprey Solar re-alleges all the preceding paragraphs.  The Commission cannot revise its own rules or policies to lower the size
13 14 15 16 17 18 19 20 21	Osprey Sol Terms becaring of the the Commit Osprey Sol 75. 76. threshold, in	lar is entitled to PGE's standard contract at the Pre-June 1 Rates and ause Osprey Solar legally obligated itself to sell the net output prior to the is Complaint, before the Schedule 201 rates changed on June 1, 2017, and ission cannot changes policies and rules, and Schedule 201 to prevent lar from obtaining a legally enforceable obligation  Osprey Solar re-alleges all the preceding paragraphs.  The Commission cannot revise its own rules or policies to lower the size mpose an ownership cap, adopt an early avoided cost rate reduction, or make

1	77.	The Commission cannot change policies and practices to hasten the
2	effective da	te of its May 1 Update to prevent the establishment of a legally enforceable
3	obligation b	because the Commission cannot control when a legally enforceable obligation
4	existed and	delay progress toward a final executable contract so that a lower avoided cost
5	rate is appli	cable.
6	78.	The Commission's actions allowing PGE to shorten the time available to
7	QFs to cond	clude their negotiations with PGE before the effective date of its May 1
8	Update resu	alted in the establishment of a legally enforceable obligation, because it
9	allowed PG	E to delay progress toward a final executable contract so that a lower avoided
10	cost rate wa	as applicable.
11	79.	Osprey Solar's execution of the draft PPA, continuing commitment to sell
12	the net outp	out of the Osprey Solar project, and efforts to obtain PGE's signature resulted
13	in a legally	enforceable obligation at the previously effective Schedule 201 rates, and all
14	the terms an	nd conditions in the partially executed PPA, despite the Commission allowing
15	the May 1 U	Jpdate to change rates on June 1, 2017.
16		VIII. PRAYER FOR RELIEF
17	WH	EREFORE, Osprey Solar respectfully requests the Commission issue an
18	order:	

- 19 1. Finding PGE in violation of: 1) the mandatory purchase obligation of the Oregon
- 20 PURPA; 2) the mandatory purchase obligation of the federal PURPA; 3) FERC's
- PURPA regulations, policies, and orders; 4) the Commission's PURPA
- regulations, policies, and orders; and 5) PGE's Schedule 201;

- 1 2. Requiring PGE to purchase the net output of the Osprey Solar project at the Pre-
- 2 June 1 Rates and Terms in the partially executed PPA;
- 3. Requiring PGE to enter into a PURPA PPA with Osprey Solar at the Pre-June 1
- 4 Rates and Terms, and all the terms and conditions in the partially executed PPA;
- 5 4. Instituting penalties up to \$10,000 under ORS 756.990 against PGE and paid by
- 6 PGE's shareholders for each violation of ORS 758.525(2), 758.535(2)(b), 18 CFR
- 7 292.303(a), 292.304(d), and Commission Order Nos. 05-584 and 16-174.
- 8 5. Granting any other such relief as the Commission deems necessary.

Dated this 10th day of August, 2017.

Respectfully submitted,

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Of Attorneys for Osprey Solar

# **CERTIFICATE OF FILING**

I certify that on August 10, 2017, on behalf of Osprey Solar, I filed the foregoing Complaint with the Oregon Public Utility Commission by electronic communication consistent with OAR 860-001-0170.

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